

Export success—what it means for Alaskans

By Edgar Blatchford

There is a tendency in government to use statistics to make a point. The use of numbers can often help tell a powerful story. Unfortunately, there is also a risk associated with using statistics, they can make people's eyes glaze over.

This risk notwithstanding, I'm going to cite a few interesting statistics about Alaska's growing international export industry.

The bottom line is, in the last two years we have sold more stuff to more countries than ever before. In 2004, Alaska set a record by exporting nearly \$3.2 billion in goods to 92 different countries. That's up from \$2.5 billion in 2002. Governor Frank H. Murkowski has made it a personal mission to see Alaska's exports grow, and he has dedicated time and resources to see that it happens. This work is paying off. The numbers tell the story.

With few exceptions, exports are up in every major sector. Seafood sales grew an impressive \$400 million from \$1.3 billion in 2002 to \$1.7 billion in 2004. Mineral exports increased \$125 million and energy sales increased nearly \$100 million in the last two years.

Some may be wondering why they should care if international exports are way up. So what if pink salmon to Korea, gold to Switzerland, or forest products to Taiwan increased substantially last year.

The U.S. Department of Commerce estimates that every one billion dollars of exports creates 25,000 jobs in the local economy. This means that over 75,000 Alaskans owe their jobs to economic activity created from international trade.

Jobs for Alaskans are key—but so is economic health. Exports provide direct industry investments in the state and help to diversify our economy. Sales from exports have helped in this diversification by creating a number of jobs statewide in old industries like seafood, to new products lines like bottled water. Spreading our customer base to more countries, in more industries, gives our economy more strength. More strength, means more investments in Alaska.

Even if you aren't directly benefiting from the export trade, you gain from the stability exporting provides the state. The advantage statewide is amplified in rural Alaska where simple economics prove that the smaller the community, the more benefit can be derived from exporting.

Imagine you are a notable artist from Savoonga trying to sell one of your carvings. If you offer it to the people in your village, how much can you get? Probably not that much. But offer that same carving for sale in an Anchorage gift shop and expect it to fetch a higher price. Or put the item on the internet for a global audience to bid on and watch your carving sell for a mint. The larger the potential market size, the higher price you will get for the same product.

If you happen to be in the business of one of the many abundant commodities that are available in Alaska, such as coal, seafood or gold, it is not only higher prices you crave, but a customer base that is large enough for the supply you have to offer. With just around 650,000 people, Alaska doesn't have much of a population base to support the sale of mass quantities. Worldwide, however, there are billions of people to buy Alaska's products. The global market provides the opportunity for a wider market for Alaska's specialty items and bulk commodities. This larger market gives Alaskans higher prices for unique and higher quality products.

International exports help create stable local companies and jobs for Alaskans. This, in turn, produces the revenue base for local governments and school districts to provide essential services like public safety, roads and schools. Exports benefit all Alaskans.

When Frank H. Murkowski was a candidate for governor, he made a promise that under his administration Alaska would be open for business. That promise is being fulfilled, and the statistics prove the point. With billions of dollars of goods being exported to almost 100 nations overseas, Alaska is definitely open for business and it is doing quite well.

Governor Frank H. Murkowski appointed Edgar Blatchford Commissioner of the Department of Commerce, Community & Economic Development in January of 2003. He is an Associate Professor of Journalism and Public Communications at the University of Alaska-Anchorage, currently on leave.